

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 16, 2010  
**POSITION:** Neutral

**BILL NUMBER:** AB 2612  
**AUTHOR:** Assembly Agriculture

### **BILL SUMMARY: Rendering and State Organic Program Updates**

This bill would make various changes to existing law related to rendering and to the State Organic Program (SOP), including (but not limited to) expanding the definition of "collection center," clarifying license expiration dates, exempting licensed collection centers from having to pay to register to transport inedible kitchen grease, clarifying the administration of the SOP, and authorizing the adoption of regulations to streamline organic registration (including the development of an online registration system). This bill also would extend the sunset date, from January 1, 2011 to January 1, 2016, for the \$100 food safety fee that is levied on the manufacture, packing, or holding of processed foods.

### **FISCAL SUMMARY**

According to the California Department of Food and Agriculture (CDFA), this bill would have no fiscal impact on the department. The proposed revisions related to rendering are consistent with existing practices. The CDFA also indicates that any workload savings from streamlining the organic registration process would be redirected to organic enforcement and compliance activities. To the extent additional resources are needed to develop an online registration system, we note that such expenditures would not require a budget act appropriation because the resources would be industry-funded and would not flow through the CDFA's budget.

While the Department of Public Health (DPH) was unable to provide an estimate of costs related to this bill prior to completion of this analysis, no additional workload is anticipated for the DPH as the bill would only extend the sunset date for a current fee.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the April 17, 2010, version include the following significant amendments which do not change our position:

- Extends the sunset date, from January 1, 2011 to January 1, 2016, that a \$100 food safety fee can be levied on the manufacture, packing, or holding of processed foods.
- Requires the registrant of any production agricultural- or structural-use pesticide sold for use (instead of the first person to sell any) to establish or participate in a recycling program, as specified.

### **COMMENTS**

This bill would codify existing practices related to rendering and streamline the organic registration process.

Existing law pertaining to rendering:

- Requires licensure of all who engage in collecting, hauling, and processing of specified meat not fit for human consumption. Such licenses expire one year from the date of issuance.

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Analyst/Principal (0222) J. Fitzpatrick	Date	Assistant Program Budget Manager Nona Martinez	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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## Assembly Agriculture

June 16, 2010

AB 2612

**COMMENTS (Cont'd)**

- Exempts transporters of inedible kitchen grease from the registration fee, but not the registration as a hauler (if they are already licensed).
- Defines a collection center as a temporary storage area for waste animal material before transportation to a rendering plant.

Existing law pertaining to the SOP:

- Provides the SOP is responsible for the enforcement of the Federal Organic Foods Production Act of 1990, National Organic Program regulations, as well as the California Organic Products Act of 2003. These statutes protect organic consumers, producers, handlers, processors, and retailers with established standards under which fresh agricultural products and foods may be labeled and sold as organic.
- Provides for an advisory board and alternates.
- Requires registration and conformity to specific standards in order to use the term “organic” in the production, handling, and sale of raw or processed products sold as organic, including reporting requirements and fees based on sales volume.

Specifically, this bill would:

- Expand the definition of a “collection center” to include transportation to a pet food processor.
- Change the license expiration date from the year of issuance to December 31 of each year.
  - Exempt a “collection center” from registration as a transporter of inedible kitchen grease if they are licensed as a collection center.
  - Clarify that alternates to the advisory board are representatives of the same category as the board member.
  - Add definitions (and make conforming changes) for an “exempt handler” and an “exempt producer” whose gross agricultural incomes from organic sales total \$5,000 or less annually.
  - Provide that the Secretary of Food and Agriculture (Secretary) may require any producer, handler, processor, or other organic registrant to provide exact dollar amounts of gross sales of \$25,000,001 or more.
  - Provide that the Secretary may require any producer, handler, processor, or other organic registrant to submit gross sales by commodity and acreage.
  - Authorize the Secretary to adopt regulations that supersede the terms of this section, to the extent reasonably necessary, to provide an online registration system.
  - Extend the sunset date, from January 1, 2011 to January 1, 2016, that a \$100 food safety fee can be levied on the manufacture, packing, or holding of processed foods.
  - Require the registrant of any agricultural or structural use pesticide instead of the first person to sell any agricultural or structural use pesticide to establish or participate in a recycling program, as specified.
- Make technical and conforming changes.

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP					Fund		
Type		RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
8570/Food & Ag		SO	No		----- No/Minor Fiscal Impact -----					0111
<u>Fund Code</u>	<u>Title</u>									
0111	Department of Agriculture Account, Ag Fd									

